

July 12, 2012 - Topic: Medi-Cal

Low Reimbursement Rates Could Hinder Medi-Cal Expansion

As California prepares to expand Medi-Cal coverage under the federal health reform law, physicians across the state are expressing concern that the program's reimbursement rates are inadequate, the *San Jose Mercury News* reports. Medi-Cal is California's Medicaid program.

Background on the Medi-Cal Expansion

The state currently has 7.7 million Medi-Cal beneficiaries, but enrollment in the program could increase by 30% in the next few years.

The state expects to enroll 1.5 million or more adults in Medi-Cal once federal health reform law provisions take effect in 2014. Meanwhile, about 900,000 California children will be added to the program, as lawmakers recently eliminated the Healthy Families program as part of a **fiscal year 2012-2013 budget deal**. Healthy Families is California's Children's Health Insurance Program.

About Medi-Cal Reimbursements

California has one of the lowest Medicaid reimbursement rates in the U.S., ranking 47th out of the 50 states.

Meanwhile, state lawmakers last year approved an additional 10% Medi-Cal reimbursement cut for health care providers, but the cut is on hold while a lawsuit filed by physicians to block the cut is pending.

As a result of the low reimbursement rates, many California health care providers have stopped accepting Medi-Cal beneficiaries or have limited the number of Medi-Cal patients they see, the *Mercury News* reports.

Details of the Concerns

Health care stakeholders have raised concerns that physicians, clinics and hospitals that accept Medi-Cal beneficiaries will become overwhelmed when the program is expanded.

William Lewis -- a Los Gatos ear, nose and throat doctor and former president of the Santa Clara County Medical Association -- said that even if beneficiaries find a physician who accepts Medi-Cal, "they have to wait much longer for an appointment and as a result, they are going to the emergency room for routine care and that clogs up the ER." He added, "That is clearly going to get worse if you're adding people without adding doctors."

State Response

Norman Williams -- a spokesperson for the Department of Health Care Services -- said California has nearly 80,000 physicians enrolled as Medi-Cal providers -- a number that has held steady for the past five years.

He noted that Medi-Cal reimbursements will increase in 2013 and 2014 to Medicare levels. Williams said the pay boost should help encourage doctors to treat Medi-Cal beneficiaries.

He said that the state will monitor Medi-Cal beneficiaries' access to physicians and will "take immediate action" if problems develop (Kleffman, *San Jose Mercury News*, 7/12).

Read more: <http://www.californiahealthline.org/articles/2012/7/12/low-reimbursement-rates-could-hinder-medical-expansion.aspx?p=1#ixzz20Qm8HB00>